GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:4225
ANSWERED ON:18.08.2000
PUBLIC SECTOR UNDERTAKINGS WITH FOREIGN COLLABORATION
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Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) the names of the heavy industries and Public Sector Enterprises which were set up with foreign collaborations having Government`s equity of more than 50 percent and are running into losses for the last three years;

(b) the details thereof alongwith the amount of loss of each PSE;

(c) the reasons for loss to such PSEs; and

(d) the steps taken or proposed to be taken by the Government in this regard ?

Answer

MINISTER OF STATE FOR HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (DR. VALLABHBHAI KATHIRIA)

(a) & (b): The information is maintained in respect of Central public sector undertakings only. The number and names of Central Public Sector Undertakings (CPSUs) which have incurred losses and which were sick during the last three years i.e. 1996-97, 1997-98 and 1998-99, the period for which information is available, are indicated in Statement No. 7B and chapter No. 19, Volume-I of Public Enterprises Survey Report for the respective years. These reports have been laid in both the houses of Parliament and are published documents. This statement includes the heavy industries under the Department of Heavy Industry. Foreign collaboration may be either financial, or technical, or both. It may relate to the entire enterprise or to a specific process/activity or a product. Further such collaborations may be continuing or could have been availed of at any specific point of time and concluded.

(c): The reasons for incurring losses and for sickness are enterprise specific. However, some of the common reasons include obsolete plant & machinery, outdated technology, low capacity utilization, resource crunch, high interest burden, excess manpower, weak marketing strategy etc.

(d): Enterprise specific measures are taken to revive or turn around the PSUs. Sick industrial PSUs are referred to BIFR for formulating appropriate revival/rehabilitation scheme under the provisions of SICA. For other loss making PSUs administrative Ministry in consultation with management and workers of PSUs concerned explore various options and devise appropriate measures for restructuring of these PSUs. Some of the common measures taken by the Government are indicated at page 103, Volume-I of Public Enterprises Survey 1998-99, which is a published document.